

EDITORIAL COLUMN



EDUCATION IS THE ANSWER, NOT THE PROBLEM

As we finalise this paper, political and economic conditions in Australian society are still being challenged by the health impacts of the COVID-19 pandemic. Like other countries around the world, Australia has taken unprecedented steps to balance public health and economic risks in response to coronavirus. As a geographically distant island nation, with a small population and the ability to close its borders, this country avoided the death tolls suffered by other nations after measures were taken from mid-March. At the time of writing, Australian states are cautiously reopening again, with the virus mainly under control thanks to firm Federal and State action, and the public's compliance with unprecedented control measures.

The crisis will undoubtedly open new lines of inquiry for interdisciplinary researchers, as it offers a fascinating case study in how different people, communities and countries responded to a sudden, major crisis in their midst. The pandemic accelerated trends towards the digital transformation of work, exposed a lack of national capacity in essential goods, significant breakdown in global supply chains and may well shape the future of society, economics and politics for a generation.

One of the initial impacts of COVID-19 was the closure of our borders to international students, and widespread school shutdowns forced a rapid pivot to online learning for most of our schools. There have been further upheavals in tertiary education, with the government looking to increase the cost of humanities and arts degrees. So this commentary will not only introduce the papers in this issue of the *Journal of Behavioural Economics and Social Systems (BESS)* but offer a defence of the social studies and public universities which helped produce them.

IN DEFENCE OF THE SOCIAL STUDIES

On 19 June, the Australian Government announced a range of measures under the Job-Ready Graduates Package which propose the most radical shake-up of higher education policy in decades. The government aims to shift the financial burden of higher education even further onto students, with a 15% cut in real public funding per student. There will be a 7% increase in average student contributions and a 6% fall in overall student-related income per EFTSL for universities.¹ This comes on top of analysis by Universities Australia which predicts a revenue shortfall for the sector of \$3–4.5 billion for 2020 and up to \$16 billion by 2023 due to a decline in international student fee income.

The proposals will disproportionately increase fees for students in the humanities, management, commerce, economics, communications, creative arts and law. Fees for courses in management, commerce, law and economics will rise by 27.7%; in creative arts by 66.1% and in communications and humanities by an astonishing 113.1%.² These startling price-hikes followed the government's exclusion of university staff from JobKeeper payments and other

government subsidies, plunging the higher education sector into crisis during the COVID-19 pandemic.

The Australian Association of University Professors (AAUP) responded with a robust defence of the humanities and public universities. It quoted words of former Liberal Prime Minister Sir Robert Menzies in 1958³ that 'Many tyrannical regimes have fostered science, but no tyrannical regimes have fostered those faculties of universities that deal with human affairs, sociology, and those fields of thought where criticism of tyranny is likely to emerge'.⁴

Menzies also spoke at a time of international crisis and addressed the citizens of a smaller, poorer and more anxious Australia. However, Menzies understood that the hope and strength of Australia would lie a highly educated, creative and critical citizenry. He knew that education should not be the servant of workforce planning for current needs but should foster the talent and curiosity of young people to create brighter future possibilities. He understood that democracy and prosperity stem from the same source – freedom of thought – and that government should, therefore, support every student. Between 1958 and 1960, his government increased university funding by 300% and trusted them to choose their intellectual course.

The new fee structure presented by the current government operates in the opposite way to Menzies' great legacy. It sheds responsibility and tries to enforce decisions. It reduces university funding to the sciences even more than to the humanities and attempts to manipulate students into disciplines that politicians think are good for them regardless of their wishes. It also forces universities into internally cross-subsidising these skewed decisions.

1. National Tertiary Education Union, 2020

2. D. Hurst, 2020

3. AAUP, 2020a

4. Prime Minister R. G. Menzies, 'Modern Civilization and Science', (Sir Henry Simpson Newland Oration, Australasian Medical Congress, Hobart, 5 March 1958). Quoted from Travis Hallen, 'Responding to a Sputnik Moment'. *The Strategy Bridge*, 4 October, 2016

Guthrie et al.⁵ argue that a decade and more of cuts to government funding forced universities to subsidise their research through students' fees and by 'selling' education to foreign students. This overloaded our tertiary institutions with expenses of administration and real estate turned their energy towards marketing rather than academic excellence and replaced the duty of care they owe their students with indifference.

AAUP⁶ has called for the government to reassert its commitment to a first-class education and world-leading research by expanding funding to all disciplines as they complement, rather than compete against, each other. In the words of John Menzies: 'Let us have more scientists and more humanists. Let the scientists be touched and informed by the humanities. Let the humanists be touched and informed by science, so that they may not be lost in abstractions derived from outdated knowledge of circumstances'.⁷

The current crisis offers the opportunity for a fundamental rethink and a fresh start. AAUP⁸ argued that the financial misery of the tertiary sector and the threat to academic employment are the inevitable results of the mistaken view that universities are just another source of income for the economy. Universities are so much more than a revenue stream. They stand at the centre of our modern knowledge-based democracy. They are bulwarks against misinformation in social media, the lure of demagoguery, non-democratic foreign influences and the abuse of artificial intelligence through their ability to 'vaccinate' all members of society by education.⁹

Well-rounded university education also lays the groundwork for the innovation required to deal with global problems such as climate change,

poverty and current and anticipated pandemics. There needs to be a revival of academic principles in Australia and beyond, and the ongoing commercialisation and degeneration of the higher education sector must come to an end.

We also need to consider that getting access to a liberal education goes beyond Australia's borders and that impacts of the pandemic are also having a profound effect on those who are already the most vulnerable.¹⁰ Unfortunately, because of the focus on international revenue streams, there will be considerably fewer students able to afford a university education post COVID-19, and combined with the fact that the foreign students are banned from travelling to Australia, we expect to see a decrease in student numbers. However, these concerns 'are irrelevant to an aspiring student who is not allowed an education because they are in the wrong socio-economic situation' as a result of the crisis¹¹. Yet, it seems that many university VCs are more concerned about the drop in income than not being able to provide education to those who really need and want it, regardless of their nationality.

The above is an example of what happens when only one particular group focuses narrowly on one specific problem such as loss of income. What gets left out of the equation are the other people affected by the crisis, and there is no involvement with them fixing the problem. This is where Second Track processes become more valuable in the close mindsets we have towards solving problems these days, and what is needed in this situation is more critical from all those affected so that new pathways can be found. Hence why in this issue we explore different in-depth ways Second Track processes can help resolve more complex and wicked problems. We now introduce the papers included in this current issue.

5. J. Guthrie et al., 2020

6. AAUP, 2020a

7. Ibid.

8. AAUP, 2020b

9. Ibid.

10. Dumay et al., 2020

11. Secundo et al., 2018

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The second edition of *BESS* presents eight pieces of work, covering a broad range of issues. These articles explore the complexity of wicked problems and the potential of Second Track process to manage them by focusing on several specific examples, from mergers and acquisitions, responses to the pandemic and university-industry collaborations to Pacific development, disruptive technologies and workforce transformation. There is also a strong case made to establish a new Institute of Human Potential to help individuals and communities develop the 'meta-skills' required to thrive in an ever more volatile future.

The first article by Peter Massingham et al.,¹² titled *Emergent Communities of Practice: A Complexity Theory Lens*, reviews existing literature to suggest Second Track processes include several common features. They involve multiple stakeholders who reframe the issues at hand as a mutually shared problem or opportunity and proceed through outcome-focused initiatives. The authors argue that the power of the Second Track derives from the psychological and social dynamics of intergroup conflict and cooperation, with conflict resolution achieved through pursuing a task, rather than negotiating a therapeutic or development framework.

The article approaches Second Track processes as complex adaptive systems in terms of their organisation, interaction and intelligence. These informal social networks can find solutions to wickedly complex problems in innovative ways and, in an increasingly complex world, such social interaction between diverse stakeholders may be the most efficient way to achieve positive social, political and economic change.

In the second piece, *Managing stakeholder relationships during the Tatts/Tabcorp merger*, Simon Segal¹³ argues that mergers and acquisitions (M&A) are significant events with complicated and disruptive social, economic and political consequences for those involved. Over US\$4 trillion in assets have been merged or acquired in each of the past two years. Segal's paper examines the complex balancing act of M&A stakeholder management through a case study of the mega-merger of Australia's two most prominent lottery firms, Tatts Group Ltd (Tatts) and Tabcorp Holdings Ltd (Tabcorp) in 2016/17.

The article explores how Tatts and Tabcorp's stakeholder management influenced, and was affected by, the merger process. By implication, the Second Track could offer better ways to manage these conflicting stakeholder relationships to agree and secure mutually beneficial outcomes.

Florian Kragulj et al.'s¹⁴ article *Revealing the Purpose of a Stakeholder Organisation: The case of a public university responding to the COVID-19 'Corona' Crisis* examines the impact of the COVID-19 lockdown in Austrian higher education. The research team analysed emails exchanged in one university to show how the shock helped its academics and administrators rediscover its core purpose. The work of Kragulj et al.¹⁵ could prove instructive in the ongoing debate around the purpose of Australian universities provoked by the government's new funding measures.

The next article *Are you ready to collaborate? Improving the quality of university-industry collaborations* was authored by a Danish group of researchers¹⁶ and explored how university-industry collaborations can be developed. Universities around the world are under increasing pressure to produce commercial outcomes and socially

12. Massingham, Fritz-Kalish and McAuley, 2020

13. Segal, 2020

14. Kragulj et al., 2020

15. Ibid

16. Bjurström, Lund and Nielsen, 2020

beneficial results, and this longitudinal study of 25 university-industry collaborations suggests that better communication between stakeholders is required at an early stage to align goals and achieve results.

Benjamin Blackshaw's¹⁷ essay on *The Second Track and talanoa: Implementation of the Pacific Connect programme in the Pacific Islands* offers a case study of the Second Track in action by examining the work of the International Centre for Democratic Partnerships (ICDP). ICDP has combined Second Track methods and the Pacific tradition of talanoa in its implementation of the Australian Government's Pacific Connect programme to encourage Australian-Pacific cooperation on a range of exciting new technology projects to solve local problems of product distribution, community education and service supply.

Les Pickett's¹⁸ essay presents a management perspective on current economic issues, including globalisation, automation and the risks posed by social and economic uncertainty. Companies confronted by the new and unfamiliar competitive imperatives of 'globotics' cannot rely on traditional management capabilities. They must find new ways to rise to these challenges, generate new ideas and continuously reinvent their business.

Pickett again emphasises the importance of the humanities in understanding and overcoming ostensibly economic or scientific problems. 'We need the academics, the creative thinkers and the dreamers,' he writes, 'we need books, magazines, and the internet to communicate theories, ideas, and practices'. He makes a case for research and the need to value human resources in every organisation as its most valuable asset, rather than its most expendable cost.

Dr Melis Senova¹⁹ then makes a compelling argument for the establishment of a new *Institute for Human Potential* to nurture the resilience, creativity and compassion we need to achieve sustainable planetary progress. She argues that human potential can only be understood and unleashed if education focuses on the 'meta-skills' which differentiate people from machines, and allows them to adapt and thrive in fast-changing circumstances.

In the final piece, Ian McAuley²⁰ reviews the work of Ronald Heifetz on 'adaptive leadership', a quality our current times desperately need and sorely lacking. Heifetz defines adaptive leadership as the ability to mobilise groups of individuals to face and handle tough challenges successfully. He rejects the notion that heroic individuals can single-handedly generate results by enforcing their will, a reality which the current COVID crisis has exposed in all too many countries.

CONCLUSIONS

One issue that becomes abundantly evident after reading the various papers in this issue of *BESS* is that academics need to ensure they are part of the Second Track processes. Academia and its connection, social sciences, are by far the most sensible critical voice we can have. We academics must be a loud voice for social change, and it is our responsibility to use our academic freedom to address the broader issues of society. Should academics relegate themselves to becoming just bodies in front of chalkboards so that universities can make income and students can leave university job-ready instead of critical scholars? This is not a desirable or sustainable outcome for future education!

17. Blackshaw, 2020

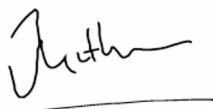
18. Pickett, 2020

19. Senova, 2020

20. McAuley, 2020

Developing job-ready students ignores the fact that many of the jobs that we will be doing in the future are not the jobs we are doing today. So instead of preparing students for the jobs of today, we should be preparing students for jobs of tomorrow even though we do not know what they are. Therefore, teaching students to be open-minded through critical scholarship is essential, rather than teaching them to crunch the numbers to find the one right answer, if it even exists. Hence, what we need now more than ever is people who can innovate and understand the job that needs to be done²¹ rather than the jobs that we were doing in the past.

However, coming to grips with the job that needs to be done today to help lift this out of the crisis requires Second Track processes. Universities cannot solve the problem on their own, especially if they have a focus on raising revenue first and providing education second. The pathway out of the COVID-19 crisis will be long and steep, therefore short-term fixes are not the answer. The answer will only be found through the collective involvement of all stakeholders, and the answer may not be apparent until we start climbing the track towards recovery.



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Prof John Dumay

Sydney, June 2020

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